

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6527**

**BILL NUMBER:** HB 1328

**NOTE PREPARED:** Mar 21, 2013

**BILL AMENDED:** Mar 21, 2013

**SUBJECT:** School Health Care Clinic Pilot Project.

**FIRST AUTHOR:** Rep. Brown T

**FIRST SPONSOR:** Sen. Patricia Miller

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill has the following provisions:

(1) Requires the Office of the Secretary of Family and Social Services (FSSA) to develop and implement pilot projects to establish:

(A) a health care clinic located in an elementary school or high school to provide health care to students and the students' families; and

(B) an evidence-based program model with schools to provide social services to individuals.

(2) Specifies certain requirements and prohibitions relating to services provided by a school health care clinic.

(3) Allows the FSSA to contract with a vendor to:

(A) administer the school health care clinic; and

(B) provide services for the social services program model.

(4) Requires the FSSA to report to the Health Finance Commission concerning the school health care pilot project, the number of school health care clinics in Indiana, and the effectiveness of school health care clinics.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** (Revised) *Summary:* This bill could increase FSSA expenditures to (1) provide the school health care clinic pilot project and (2) implement a program that provides social services to high school and elementary school children. The estimated increase in FSSA expenditures could be between \$648,000 and \$1.1 M per year.

Additional Information:

(Revised) *School Health Care Clinic Pilot Project*: Because the bill is silent on specific requirements for the pilot project, costs of implementing the school health care clinic would depend on the operational schedule of the clinic (e.g., hours of operation, which days the clinic is open) as well as staff required to staff the clinic. The requirements of the bill could be met by operating the school health care clinic one day a month with an adequate amount of staff that is certified to provide preventive and acute health care services.

The FSSA reports they will contract out the requirement. Actual increases in state expenditures to implement the program will depend on the bids submitted by health professionals and decisions made by FSSA administrators with regard to how the pilot program is established

Based on eight federal grant recipients in the state of Indiana, if the FSSA were to contract out the implementation of a school-based clinic, state expenditures could increase between \$48,000 and \$500,000 annually. The FSSA estimates implementing the pilot project could increase state expenditures by \$434,000 per participating site to cover costs of staff, supplies, equipment, and marketing.

(Revised) *Social Services Programs in Schools*: This bill requires the FSSA to either implement (or contract out the implementation of) an evidence-based program that partners with elementary schools and high schools to provide social services to children. The bill allows the FSSA to implement the program in the southwestern region of the state. If the FSSA chooses to contract the requirement to a nonprofit corporation in the southwestern region of the state that meets the program requirements, state expenditures could increase by an estimated \$600,000 annually.

Currently, at least one nonprofit corporation in Evansville appears to meet the program model requirements as well as the vendor requirements specified in the bill. This program reported it will no longer receive federal grant funds of \$600,000 annually at the end of FFY 2013. If FSSA were to contract out the requirements of the bill with this program or a similar program, this bill could increase state expenditures by approximately \$600,000 annually. The actual impact of this bill will depend on the value of any contract entered between FSSA and a nonprofit organization.

(Revised) *Study Requirements*: If the FSSA does elect to contract out the administration of social services in schools, the bill also requires the FSSA to contract out the evaluation of the contractor's program model and annually report these outcomes to Legislative Council. Increases in state expenditures for this evaluation are currently unknown.

Further, the bill requires the FSSA to report to the Health Finance Commission (1) about the implementation of the pilot project before October 1, 2013, and (2) information concerning the number of school health care clinics in the state and the effectiveness of these school health care clinics by October 1, 2014, and every year thereafter.

(Revised) *Federal Capital Grant Funding for School-Based Health Centers*: Under the federal Affordable Care Act, a total of \$200 M was appropriated between FFY 2011 and FFY 2013 to support capital grants to improve and expand services at school-based health centers. During this period, there have been a total of eight recipients who have received these grant funds in the state of Indiana. It is not known if revenue received from these grants covered total operating expenses for the school-based clinics.

School	City	Year Awarded	Grant Amount
Madison County Community Health Center	Anderson	2011	\$138,000
Community Hospitals Foundation	Indianapolis	2011	\$499,945
Richmond Community Schools	Richmond	2011	\$489,609
Vermillion-Parke Community Health Center	Clinton	2011	\$350,552
Shalom Health Care Center, Inc.	Indianapolis	2012	\$50,000
Healthnet, Inc.	Indianapolis	2012	\$47,445
Open Door Health Services, Inc.	Muncie	2013	\$368,743
Healthlinc, Inc.	Valparaiso	2013	\$500,000

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** FSSA.

**Local Agencies Affected:**

**Information Sources:** Christina Hage, FSSA; U.S. Department of Health and Human Services, Health Resources and Services Administration.

**Fiscal Analyst:** Bill Brumbach, 232-9559.